



February 15, 2017

Trevor Douglass, DC, MPH
Oregon Health Authority
Health Systems Division
500 Summer St. NE
Salem, OR 97301

Dear Dr. Douglass,

We received your corrective action plan letter today and I want to assure you that we will take all steps necessary to fully address your concerns and to fully meet all of our contractual obligations for the state of Oregon. Your undated letter was received on February 14, 2017 in our Pennsylvania office. We take contract compliance very seriously and therefore have the following responses to your concerns.

Finding 1: Exhibit A Part 2 Section 7b (13) of the contract requires KEPRO to collect and report specified data for the 1915(i) quality assurance report. The contract required KEPRO to report this data quarterly. KEPRO failed to provide any quarterly reports pursuant to Exhibit A, Part 2, section 7b (13) of the contract. KEPRO must submit a report that satisfies Exhibit A, Part 2, section 7b (13) of the contract within 14 calendar days of this notice.

Finding 1 Response:

- Quarterly Reports were submitted to you on February 9th and have been posted to the agreed-upon IP Switch site. This covers both Q1 and Q2 of the new contract year 1.
- Heidi Leonard's email (February 9, 2017) provides the link for you to access these reports.
- Therefore, KEPRO considers this finding to be in compliance.

Finding 2:

Exhibit A, Part 2, Section 7g, requires KEPRO to develop and provide an ongoing accessible report containing information about fee for service members that are currently in a licensed level of care. The contract identifies 16 different data elements upon which KEPRO must provide information. KEPRO's current cents report fails to report item numbers 3,4,5,6,7,9, 10, 11, 14, 15 and 16. KEPRO must provide the missing data elements within 14 calendar days.

Finding 2 Response:

- Our IT and Operations teams are in the process of pulling together those additional elements required by the contract.
- In some instances, the information is housed in the MMIS system or in claims data housed in MMIS.

- In some instances the information must be obtained from the providers and KEPRO is dependent on the provider to supply that information.
- Since inception of the contract, good progress has been made to attain this baseline data, but over the next 14 days a more comprehensive report will be provided to OHA to meet this requirement.
- OHA has suggested that we adopt the "OHA data tool" as a method for collecting this data (Chad Scott to John DiPalma and Kevin Minor 1/10/2017 4:05 p.m.).
- KEPRO has reached out to OHA (Colette Riehl to Chad Scott 2/2/2017 10:22 a.m.) to get access to the tool and to get the OHA and KEPRO IT teams to collaborate on this project.
- KEPRO is awaiting a response from OHA, but in the meantime has continued to make progress by collecting this data manually.
- OHA conveyed that there was a meeting on February 8th 2017 (You to DiPalma cc: Colette Riehl 2/8/2017 9:57 a.m.) and OHA would let us know next steps.
- KEPRO is committed to provide a comprehensive report and is eager to work with the suggested "OHA data tool" proposed by Chad.
- KEPRO has not billed for this service as the manual process has yielded a slower than anticipated turnaround of this data.
- The updated report, with the additional data points will be posted within 14 days to the IP Switch site. This updated report will comply fully with the contract.

Finding 3: Exhibit A Part 2 Section 4e of the contract as added by Amendment No. 1 requires KEPRO to commence, no later than September 1st, 2016, evaluations for prior authorization (PA) services for the fee-for-service population. KEPRO has failed to commence all of the required PAs. KEPRO must commence all of the required PAs within 14 days of this notice.

Finding 3 Response:

- KEPRO is currently processing all of the service types that have been authorized by OHA.
- KEPRO has reduced the backlog of PT and OT pre-authorizations to less than one week's worth of inventory.
- In February, there have been several instances of our inventory being at or near zero.
- KEPRO staff has asked for approval from OHA to move to the next type of PA, so that staff could be trained and inventory could be worked.
- KEPRO staff has been asked to not move forward with other types of PA processing until the OHA staff could meet and review our documentation on OT and PT and agree on the process steps. (Multiple emails and verbal discussions between you and John DiPalma in January and February, 2017.)
- This meeting took place on Monday, February 13th and KEPRO staff is awaiting approval from you to move onto additional PA types.
- If your direction is to move to the next PA type on the agreed-upon schedule, Speech Therapy pre-authorizations would be next and we can begin that process immediately.
- In a recent email (DiPalma to you 2/7/2017 5:27 am) KEPRO has informed OHA that inventories are low and that KEPRO is ready to move on to the next PA type.

- Great progress has been made by KEPRO staff on reducing the turnaround time of prior-authorizations and in productivity (nearly 20 per RN per day). For the review types that KEPRO has been allowed to work, we're at 1-day turnaround time, with a contractually-required turnaround time of 10 days.
- As you have stated to John DiPalma, our productivity has far exceeded the productivity of most of your current staff.

Finding 4: Exhibit A Part 2, Section 4e of the contract as added by amendment No.1 requires KEPRO to connect the Evaluation and Prior Authorization process to the acuity rating for fee-for-service clients served to ensure that services are clinically appropriate and timeline (i.e., coordinated.) To date KEPRO has failed to provide any evidence that it has connected the Evaluation and Prior Authorization process to the acuity rating for fee-for-service clients. KEPRO must provide evidence that it has connected the Evaluation and Prior Authorization process to the acuity rating for fee-for-service clients within 14 calendar days.

Finding 4 Response:

- Our specific process flow for the UM to CM referral, and any needed acuity change, is being completed today and will be posted to the IP Switch site by the end of the week.
- Execution of the process, including acuity changes as needed, will begin by the end of the week.
- Our reporting team is developing an acuity change report, which will capture all acuity changes for the month and we can then cross reference the UM to CM referrals. This report will be completed within 14 days and will be posted to the IP Switch site.

Trevor, as I have stated above, we are committed to full compliance on this and all contracts KEPRO has signed. To ensure full compliance, our corporate contract compliance team will be visiting our Oregon office location and doing a full review of the contract deliverables over the next 30 days. In the meantime, should you have any further questions or needs for clarification, please feel free to call me directly at 717-265-7026.

Sincerely,



Joseph A. Dougher
President and CEO
KEPRO

cc: Meghan Harris
John DiPalma
Colette Riehl